

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 607 - HB 1121

March 12, 2023

SUMMARY OF BILL: Requires the Department of Children's Services (DCS) to create a pilot program for juvenile offenders housed at the John S. Wilder youth development center (Wilder) to create a group home environment and utilize a step-down approach to provide services and assist juveniles in transitioning out of DCS custody. Establishes that the program must begin by January 1, 2024, and continue until June 30, 2026, at which point an evaluation will be done as to if it should be continued or replicated. Requires DCS to report its findings and conclusions to the Tennessee General Assembly (TGA) by February 15, 2026.

FISCAL IMPACT:

Decrease State Expenditures – Net Impact – \$257,700/FY23-24
\$515,300/FY24-25
\$515,300/FY25-26

Increase Federal Expenditures – \$34,500/FY23-24
\$68,900/FY24-25
\$68,900/FY25-26

Assumptions:

- According to information provided by DCS, it is estimated that there will be 16 juveniles in DCS custody at Wilder per year who will qualify to be placed at a level II continuum group care facility.
- The daily cost to house a juvenile at a level II continuum group care facility is currently approximately \$179 per day. The rates are anticipated to increase in the future but the magnitude of any such increase is currently unknown.
- It is assumed that these juveniles will be in the step-down placement for approximately 60 days, which would otherwise be the final 60 days of their sentence being served at Wilder.
- The increase in expenditures to house all 16 juveniles will be \$171,840 (\$179 x 60 days x 16) per year, which will be covered with:
 - 44 percent, or \$75,610 (\$171,840 x 44%), DCS state funding,
 - 10 percent, of \$17,184 (\$171,840 x 10%), Title IV-E federal funding, and
 - 46 percent in TennCare funding, which consists of:
 - \$51,764 (\$171,840 x 46% x 65.485%) in federal funding, and
 - \$27,283 (\$171,840 x 46% x 34.515%) in state funding.

SB 607 - HB 1121

- Therefore, the total increase in state expenditures will be \$102,893 (\$75,610 + \$27,283) per year to house juveniles in a level II continuum group care facility.
- The total increase in federal expenditures will be \$68,948 (\$17,184 + \$51,764) per year to house juveniles in a level II continuum group care facility.
- The average cost to house a juvenile at Wilder is approximately \$644 per day, which is paid for by solely state expenditures.
- Therefore, the decrease in state expenditures associated with no longer having to house 16 juveniles for the final 60 days of their sentence will be \$618,240 (\$644 x 16 x 60 days) per year.
- Since the proposed legislation begins halfway through the fiscal year, the fiscal impact will be a net decrease of \$257,674 [(\$618,240 - \$102,893) x 50%] in FY23-24, and \$515,347 (\$618,240 - \$102,893) in FY24-25 and FY25-26.
- The proposed legislation will result in an increase in federal expenditures of \$34,474 (\$68,948 x 50%) in FY23-24, and \$68,948 in FY24-25 and FY25-26.
- DCS will be able to report its findings and conclusions regarding the pilot program to the TGA by utilizing existing resources and personnel; therefore, there will be no increase in state expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/cd